

**MEDICAID RISK CONTRACTS WITH HMOs  
THAT ARE NOT FEDERALLY QUALIFIED**

The Medicaid agency elects to enter into a risk contract with a Health Maintenance Organization (HMO) that is not federally qualified, but meets the requirements of 42 C.F.R. §434.20(c) and the following:

1. Is organized primarily for the purpose of providing health care services;
2. Makes the services it provides to its Medicaid enrollees as accessible to them (in terms of timeliness, amount, duration, and scope) as those services are to nonenrolled Medicaid recipients within the area served by the HMO;
3. Makes provision, satisfactory to the Medicaid agency, against the risk of insolvency, and assures that Medicaid enrollees will not be liable for the HMO's debts if it does become insolvent; and
4. Is operating under a current certificate of authority issued by the Texas Department of Insurance in accordance with Texas Insurance Code, Article 20A.05, relating to Health Maintenance Organizations; or
5. Is operating under a current certificate of authority issued by the Texas Department of Insurance in accordance with Texas Insurance Code, Article 21.52F, relating to nonprofit health corporations.

STATE <u>Texas</u>	A
DATE REC'D <u>08-15-95</u>	
DATE APP'D <u>09-14-95</u>	
DATE EFF <u>09-01-95</u>	
HCFA 179 <u>95-23</u>	

SUPERSEDES: NONE - NEW PAGE